



DEPUTY SECRETARY OF DEFENSE

1010 DEFENSE PENTAGON
WASHINGTON, DC 20301-1010



21 NOV 1997

MEMORANDUM FOR UNDER SECRETARIES OF DEFENSE
ASSISTANT SECRETARIES OF DEFENSE
DIRECTOR, OPERATIONAL TEST AND EVALUTION
ASSISTANT TO THE SECRETARY OF DEFENSE,
INTELLIGENCE OVERSIGHT
DIRECTOR, ADMINISTRATION AND MANAGEMENT

SUBJECT: Department of Defense Reform Initiative Directive #1 -- Personnel Downsizing Plans

As part of the Defense Reform Initiative, the Secretary of Defense announced a one-third reduction in Office of the Secretary of Defense staff to be achieved over the next eighteen months. In order to execute this initiative, I have directed that you submit a downsizing plan to the Director, Administration and Management by December 1, 1997. The plan should describe organizational and functional realignments necessary to implement the reform initiatives. It should specifically address how you plan to implement individual actions outlined in the Defense Reform Initiative and your proposals to reach the additional personnel downsizing targets. Your submission should also highlight any major issues you foresee in the implementation of those actions. In addition, the plan should:

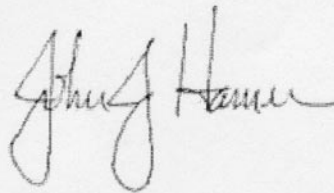
- Identify the number of personnel reductions and transfers to be accomplished in FY98 and those to be accomplished in FY99, separately identifying:
 - Military and civilian authorized levels, including overstrengths;
 - Non-career SES, schedule Cs, and career personnel;
 - Current vacancies by non-career SES, schedule Cs, and career personnel; and
 - Number of personnel and related funding being transferred out of OSD to other DoD components.
- Specify any tools required to implement the reductions and transfers, such as early buyout authority, legislative or regulatory relief.
- Specify any employee assistance, such as retirement counseling, job placement, etc., required to implement the plan.
- Identify the number of reductions-in-force, if any, and buyouts, by SES and non-SES, required to execute the plan.
- Specify the current level of employed consultants (paid, unpaid, full-time and intermittent) and any anticipated changes.

- Designate a senior integration representative from your organization to serve as the point of contact for your plan.

The Director, Administration and Management will provide each of you with written direction on your reform personnel levels. This direction will reflect guidance already provided in briefings to you and your key staff. If you need clarification on any of the specific reform initiatives, please contact Howard Becker, the Director of Organizational and Management Planning, at 695-4281.

Until your plan is approved, I strongly recommend that hiring actions be held in abeyance. An aggressive approach will be required to meet the Secretary's personnel reform levels, but I want to avoid reductions-in-force. I believe this is possible through vigorous implementation of other personnel downsizing tools; I encourage you to use such tools.

The Director, Administration and Management will submit the plans to the Defense Management Council (DMC). The Executive Secretariat for the DMC will analyze the plans in conjunction with the Director, Administration and Management. The results of the analysis will be implemented in a Program Decision Memorandum. The DMC will resolve any issues that arise from the review.

A handwritten signature in dark ink, appearing to read "John J. Hamre". The signature is fluid and cursive, with the first name "John" and last name "Hamre" clearly distinguishable.

John J. Hamre